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TO RUEHC/SECSTATE WASHDC 1975
INFO RUEHCL/AMCONSUL CASABLANCA 0843
RUEHAS/AMEMBASSY ALGIERS 3542
RUEHTU/AMEMBASSY TUNIS 8474
RUEHNK/AMEMBASSY NOUAKCHOTT 2853
RUEHFR/AMEMBASSY PARIS 3860
RUEHRO/AMEMBASSY ROME 1398
RUEHMD/AMEMBASSY MADRID 5243
RUEHLO/AMEMBASSY LONDON 2649
RUEATRS/DEPTTREAS WASHDC
RUCPDOC/USDOC WASHDC
RUEHC/DEPT OF LABOR WASHDC
RUEHRC/USDA FAS WASHDC 0811
RUEAORC/USCBP WASHINGTON DC
RUEAIIIA/CIA WASHINGTON DC
RUEHLMC/MILLENNIUM CHALLENGE CORPORATION WASHINGTON DC
RHMCSSU/DEPT OF ENERGY WASHINGTON DC
RUEAEPA/HQ EPA WASHINGTON DC

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SIPDIS

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DEPT FOR NEA/MAG, NEA/OFI AND INL/AE
DEPT ALSO FOR EB/TPP, EB/IFD AND DRL/IL
STATE PASS USTR FOR DOUG BELL
STATE PASS USAID FOR JENNIFER RAGLAND
USDOC ITA/MAC/ANESA FOR DAVID ROTH
USDOC FOR FSC/OIO AND CLDP
USDOL FOR ILAB
PARIS FOR ZEYA
LONDON FOR TSOU
ROME FOR ROSE

E.O. 12958: N/A

TAGS: [ECON](#) [ECPS](#) [EFIN](#) [KCOR](#) [KIPR](#) [MO](#)

SUBJECT: MOROCCO ECONOMIC HIGHLIGHTS

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GOM Sees 5.4 Percent Growth in 2006

[¶11.](#) The Government of Morocco's 2006 appropriation bill forecasts a 5.4 percent growth rate and a two percent inflation rate, with oil at \$60 a barrel and an exchange rate of nine Moroccan dirham to one U.S. dollar. Finance Minister Fathallah Oualalou revealed these figures during his presentation of the nearly \$20 billion 2006 appropriation bill to the lower house of parliament. Oualalou predicted a stable balance of payments in 2006, and a budget deficit of 3.2 percent of GDP.

Perception of Corruption "Stabilized"

[¶12.](#) The Corruption Perception Index (CPI), a composite measure of corruption calculated annually by Transparency International (TI), scored Morocco 3.5 points on a one (worst) to ten (best) scale. The CPI is based on surveys conducted among the business community and market analysts. According to this year's study, Morocco was ranked 78th out of 159 countries, slightly behind last year (77th). Historically, Morocco's position improved from 45th in 1999 to 37th in 2000, but the trend reversed in 2002 (52nd), and continued to fall in 2003 (70th). Morocco was 11th among

Arab countries, with Oman taking top honors (6.3 points), and Iraq coming in last (2.2 points), at 137th out of 159 countries surveyed.

Banking Reform Law Passed

¶3. Minister of Finance officials confirmed to EconCouns that Parliament has finally passed the long-awaited Banking Reform Law. The new law formally establishes the separation of roles between the Central Bank (Bank Al Maghrib) and the Ministry of Finance, giving the Central Bank more independence. Texts detailing the implementation of the law and (and other associated "circulars") have not been distributed yet and Central Bank officials told Econoff they expect to send them out shortly. Finance officials claim the new law will strengthen the role of the central bank in bank supervision and control, enlarge auditors' roles, and give more protection to depositors. Meanwhile, banking sector contacts said the law, although significant in legally formalizing Central Bank independence, will actually have little day-to-day impact on commercial banking operations.

Morocco is Third Largest Mobile Market in Africa

¶4. According to "Jeune Afrique" Magazine, Morocco is the third largest mobile market in Africa with about 9.8 million subscribers, following South Africa and Nigeria (22 million and 11 million, respectively). Morocco's mobile penetration of 244 per thousand dwarfs sub-Saharan Africa's average of nine per thousand, according to statistics from the United Nations Development Program (UNDP).

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Prison Time for Fake CDs

¶5. A Casablanca court has sentenced seven people to serve two months in prison and pay a fine of \$1,600 each for producing counterfeit Compact Discs. \$1,100 of each fine will go to the Moroccan Cinematographic and Musical Association, a grouping of musicians, artists and performers.